

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton; and
Robert G. Taub

Ashton Post Office
Ashton, Iowa

Docket No. A2012-97

ORDER REMANDING DETERMINATION

(Issued March 28, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012.”¹ The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly,

¹ United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011, at 1 (Notice).

the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

The Postal Service’s Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service’s request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On December 9, 2011, Brian Mino (Petitioner Mino) filed a petition with the Commission seeking review of the Postal Service’s Final Determination to close the Ashton, Iowa post office (Ashton post office).² Additional petitions for review were received from Melvin Tiedemann, on behalf of the City of Ashton (Petitioner City of Ashton) and Alfreda Verdoorn (Petitioner Verdoorn).³ The Final Determination to close the Ashton post office is remanded for further consideration.

II. PROCEDURAL HISTORY

On December 29, 2011, the Commission established Docket No. A2012-97 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.⁴

² Petition for Review received from Brian D. Mino regarding the Ashton, Iowa post office 51232, December 9, 2011 (Mino Petition).

³ Petition for Review received from Melvin Tiedemann, Mayor of the City of Ashton regarding the Ashton, Iowa post office 51232, December 9, 2011 (City of Ashton Petition); Petition for Review received from Alfreda Verdoorn regarding the Ashton, Iowa post office 51232, December 13, 2011 (Verdoorn Petition).

⁴ Order No. 1085, Notice and Order Accepting Appeal and Establishing Procedural Schedule, December 29, 2011.

On December 27, 2011, the Postal Service filed the Administrative Record with the Commission.⁵ The Postal Service also filed comments requesting that the Commission affirm its Final Determination.⁶

Petitioners Mino and the City of Ashton filed participant statements supporting their Petitions.⁷ On February 14, 2012, Petitioner Mino filed a response to the Postal Service comments and on February 17, 2012, the City of Ashton filed a response to the Postal Service comments.⁸ On February 17, 2012, the Public Representative also filed reply comments.⁹ In addition, letters in support of the Petitions were received from U.S. Senators Tom Harkin and Charles Grassley, Congressman Steve King, and from Mr. Mark Sexton.¹⁰

III. BACKGROUND

The Ashton post office provides retail postal services and service to 147 post office box customers. Final Determination at 2. No delivery customers are served through this post office. The Ashton post office, an EAS-11 level facility, provides retail service from 8:00 a.m. to 11:45 a.m., Monday through Friday, and 10:00 a.m. to

⁵ The Administrative Record is attached to the United States Postal Service Notice of Filing, December 27, 2011 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the Ashton, IA Post Office and Establish Service by Rural Route Service (Final Determination).

⁶ United States Postal Service Comments Regarding Appeal, February 2, 2012 (Postal Service Comments). The Postal Service subsequently made two minor corrections to page three of its comments. Notice of the United States Postal Service of Filing Errata, February 14, 2012 (Postal Service Errata).

⁷ Participant Statement received from Brian Mino, January 13, 2012 (Mino Participant Statement). Participant Statement received from the City of Ashton, January 13, 2012 (City of Ashton Participant Statement).

⁸ Petitioner Mino Response to Postal Service Comments, February 14, 2012 (Mino Reply Brief); City of Ashton Response to Postal Service Comments, February 17, 2012 (City of Ashton Reply Brief).

⁹ Reply Comments of the Public Representative, February 17, 2012 (PR Reply Comments).

¹⁰ Letter received from Congressman Steve King, January 17, 2012 (King Letter); Letter received from U.S. Senator Tom Harkin, January 24, 2012 (Harkin Letter); Letter received from Mark Sexton, February 15, 2012 (Sexton Letter); Letter received from U.S. Senator Charles E. Grassley, February 23, 2012 (Grassley Letter).

12:00 p.m. on Saturday.¹¹ Lobby access hours are 24 hours, Monday through Saturday. Final Determination at 2.

The postmaster position became vacant on August 9, 2006 when the Ashton postmaster was reassigned. *Id.*¹² A non-career officer-in-charge (OIC) was installed to operate the post office. Final Determination at 2, 9. Retail transactions average eleven transactions daily (12 minutes of retail workload). *Id.* at 2. Post office receipts for the last 3 years were \$36,534 in FY 2008; \$31,557 in FY 2009; and \$31,612 in FY 2010. *Id.*¹³ There is one permit customer and one postage meter customer. Final Determination at 2; Postal Service Errata at 1-2. By closing this post office, the Postal Service anticipates savings of \$25,974 annually. Final Determination at 9-10.

After the closure, retail services will be provided by the Sibley post office located approximately 8 miles away.¹⁴ *Id.* at 2. Delivery service will be provided by rural carrier route service through the Sibley post office. The Sibley post office is an EAS-18 level post office, with retail hours of 8:30 a.m. to 4:30 p.m., Monday through Friday, and 8:30 a.m. to 9:30 a.m. on Saturday. There are 127 post office boxes available. *Id.*

¹¹ During March 2005, the Postal Service suspended operations at the Ashton post office for environmental reasons. Administrative Record, Item No. 25 at 4. Postal operations were relocated to Sheldon, Iowa. *Id.*; see also Mino Reply Brief at 1. After reopening, the Ashton post office began implementing shortened window hours. See, e.g., Mino Reply Brief at 1.

¹² Petitioner Mino asserts that the continued postmaster vacancy has been caused by the Postal Service and that it should therefore not be a permissible basis for closing the Ashton post office. Mino Reply Brief at 1. However, the Final Determination explains that the continued vacancy is a result of a general freeze on filling postmaster positions due to the Postal Service's financial situation. Final Determination at 6, Concern No. 29. Moreover, the vacancy of the postmaster position is only one of several factors considered by the Postal Service in reaching its determination. Postal Service Comments at 12.

¹³ Petitioner Mino suggests that the relatively low level of revenues might be attributable to shortened window hours and the postmaster vacancy. Mino Reply Brief at 1. The Administrative Record does not contain revenue figures for the period prior to the reduction in window hours and the reassignment of the postmaster, which would either support or contradict Petitioner Mino's suggestion. However, declining revenue figures in the Administrative Record for FY 2008 through FY 2010 (a period during which window hours were reduced and the postmaster position was vacant) suggest that other factors were at work.

¹⁴ MapQuest estimates the driving distance between the Ashton and Sibley post offices to be approximately 7.7 miles (12 minutes driving time).

IV. PARTICIPANT PLEADINGS

Petitioners and Commenters. Petitioners oppose the closure of the Ashton post office. Petitioners Mino and the City of Ashton argue that discontinuance of the Ashton post office will adversely affect the community. Mino Participant Statement at 1; City of Ashton Petition at 2. Petitioners assert that the proposed postal services by, or through, the Sibley post office will be inadequate. Mino Petition at 1; City of Ashton Petition at 1; Verdoorn Petition at 1. Petitioners contend that the Ashton post office should be maintained with the OIC and reduced hours, or by sharing a postmaster with a neighboring post office. Mino Participant Statement at 5; Mino Reply Brief at 5; City of Ashton Reply Brief at 3; Verdoorn Petition at 1. Petitioners Mino and Verdoorn also challenge the economic savings which they assert do not reflect the actual costs of the Ashton post office as operated by an OIC. Mino Reply Brief at 4-5; Verdoorn Petition at 1.

Congressman King encourages the Commission to give due consideration to the Mino Petition. King Letter at 1. U.S. Senator Harkin supports the City of Ashton Petition. Harkin Letter at 1. Mr. Sexton contends there is no compelling reason to close the Ashton post office. Sexton Letter at 1. U.S. Senator Grassley encourages the Commission to take into consideration the concerns posed in each Petition. Grassley Letter at 1.

Postal Service. The Postal Service argues that the Commission should affirm its determination to close the Ashton post office. Postal Service Comments at 2. The Postal Service believes the appeal raises three main issues: (1) the effect on postal services; (2) the impact on the Ashton community; and (3) the economic savings expected to result from discontinuing the Ashton post office. The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes that the determination to discontinue the Ashton post office should be affirmed. *Id.*

The Postal Service explains that its decision to close the Ashton post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and low and declining office revenue;
- a variety of other delivery and retail options (including the convenience of rural delivery and retail service);
- no expected population, residential, commercial or business growth in the area;
- minimal impact on the community; and
- expected financial savings.

Id. at 5. The Postal Service contends that it will continue to provide regular and effective postal services to the Ashton community when the Final Determination is implemented. *Id.*

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioners regarding the effect on postal services, the effect on the Ashton community, economic savings, and the effect on postal employees. *Id.* at 3-5, 6-10, 10-11, 11-15.

Public Representative. The Public Representative argues that the Postal Service did not consider the issue raised by Petitioner Mino about time sensitive mail. PR Reply Comments at 2. The Public Representative also argues the Postal Service failed to consider the community concern about costs borne by customers to travel to another post office. *Id.* at 5-6.

V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the

law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

The Administrative Record indicates the Postal Service took the following steps in providing notice of its intent to close. On April 11, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Ashton post office. Final Determination at 2. A total of 385 questionnaires were distributed to delivery customers. Other questionnaires were made available at the retail counter. A total of 142 questionnaires were returned. On May 2, 2011, the Postal Service held a community meeting at the Ashton Community Center to address customer concerns. Seventy-two (72) customers attended. *Id.*

The Postal Service posted the proposal to close the Ashton post office with an invitation for comments at the Ashton and Sibley post offices from July 11, 2011 through September 11, 2011. *Id.* The Final Determination was posted at the same two post offices from November 7, 2011 through December 9, 2011. Administrative Record, Item No. 49.

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

Effect on the community. Ashton, Iowa is an incorporated community located in Osceola County, Iowa. Administrative Record, Item No. 16. The community is administered politically by a Mayor and City Council. Police protection is provided by the Osceola County Sheriff. Fire protection is provided by the Ashton Fire Department. The community is comprised of retirees, self-employed persons, and those who work in local businesses or commute to work in nearby communities. *Id.* Residents may travel to nearby communities for other supplies and services. *See generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Ashton community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the Ashton post office, customers raised concerns regarding the effect of the closure on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 9.

Petitioners Mino and the City of Ashton assert that the city merits a post office. City of Ashton Petition at 1; Mino Participant Statement at 2. Petitioner City of Ashton

points to its size relative to the size of other post offices studied for closure in Iowa.¹⁵ City of Ashton Petition at 2; City of Ashton Participant Statement at 2; City of Ashton Reply Brief at 2.

Petitioner Mino summarizes the efforts that he and other Ashton residents undertook to reestablish service, albeit limited service, at the Ashton post office following the emergency suspension in 2005. See, e.g., Mino Participant Statement at 2. Petitioners Mino and the City of Ashton point to the reopening of the Ashton post office together with alleged commitments by Postal Service representatives which, they allege, demonstrate that the Postal Service itself considers Ashton a viable post office location. Mino Participant Statement at 2; City of Ashton Petition at 1.

The Postal Service responds by arguing that multiple factors, not just population, inform discontinuance determinations and that the commitments it allegedly made in 2005 have been overcome by intervening changes in circumstances. Postal Service Comments at 2 n.3; at 10 n.17, respectively.

In its reply brief, the City of Ashton presents several additional challenges to the Postal Service's claim that it adequately considered the impact on the community of the closing the Ashton post office. For example, the City argues that the post office is needed to protect elderly residents of the community who recover their mail during periods of adverse weather; to provide a public location for posting notices and ordinances required by the Iowa Code; and to foster the growth of businesses. City of Ashton Reply Brief at 2. It appears from the Administrative Record that two of these additional points (the impact of the closing on senior citizens and the impact on potential business growth) were raised by customers during the discontinuance proceedings and were addressed in the Final Determination. See Final Determination at 4-5, Concern No. 12 (effect on seniors); at 9, Concern No. 1 (effect on business growth). By contrast,

¹⁵ The City of Ashton also argues that the recent addition of two new businesses to the city effectively refutes the Postal Service's projections of population, residential, commercial, or business growth in the area. City of Ashton Reply Brief at 2. Projections are, by definition, imprecise. The addition of two new businesses, while encouraging for the city, does not deny all credibility to the Postal Service's projections.

the alleged need for the Ashton post office as a site for posting legal notices and ordinances was not raised during the discontinuance proceedings and need not be addressed on appeal. See Final Determination at 8, Concern No. 41 (loss of a gathering place and information center, but no mention of need for posting of legal notices and ordinances).

The Commission concludes the Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C.

§ 404(d)(2)(A)(i).¹⁶

Effect on employees. The Postal Service states that the Ashton postmaster was reassigned on August 9, 2006 and that an OIC has operated the Ashton post office since then. Final Determination at 9. It asserts that after the Final Determination is implemented, the temporary OIC may be separated and that no other Postal Service employee will be adversely affected. *Id.*

The Postal Service has considered the possible effects of the post office closing on the OIC and has satisfied its obligation to consider the effect of the closing on employees at the Ashton post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

Effective and regular service. The Postal Service contends that it has considered the effect the closing will have on postal services provided to Ashton customers. Postal Service Comments at 6. It asserts that customers of the closed Ashton post office may obtain retail services at the Sibley post office located 8 miles away. Final Determination at 2. Delivery service will be provided by rural carrier route service through the Sibley post office. Ashton post office box customers may obtain Post Office Box service at the

¹⁶ Petitioner Mino argues that the Postal Service has not adequately considered the alleged adverse impact of the post office closing on his employer, the Ashton State Bank, and other businesses that require same-day processing of time-sensitive mail. *E.g.*, Mino Petition at 1-2. As part of this claim, he argues that the costs the Ashton State Bank and other customers must incur to travel to other post offices should have been considered as a significant effect on the community. Mino Reply Brief at 4. Similarly, the Public Representative argues that the costs incurred by customers to another post office be considered under section 404(d)(2)(A)(i). PR Reply Comments at 6. The cost aspect of the adverse impact alleged by Petitioner Mino and others is an integral part of the claim that the Postal Service's proposed replacement service is inadequate. Accordingly, in this specific case, the Commission considers this cost aspect as part of its discussion of whether the Postal Service has adequately considered whether the proposed replacement service is effective and regular.

Sibley post office, which has 127 boxes available. *Id.* For customers choosing not to travel to the Sibley post office, the Postal Service explains that retail services will be available from the carrier. Postal Service Comments at 8. The Postal Service adds that it is not necessary to meet the carrier for service since most transactions do not require meeting the carrier at the mailbox. *Id.*

Petitioner City of Ashton argues it will be a hardship for elderly residents or residents on fixed incomes to travel to another post office. City of Ashton Participant Statement at 2; City of Ashton Reply Brief at 1. The City of Ashton also contends that many elderly residents do not have access to the internet and would not be able to order through the Postal Service web site. City of Ashton Reply Brief at 1. The City of Ashton asserts further that many residents on a fixed income cannot afford the additional costs of travelling to the Sibley post office and that such a financial burden should not be placed upon them. *Id.*

The Postal Service explains that carrier service is especially beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail service to roadside mailboxes, thereby eliminating the need to travel to a post office. Postal Service Comments at 9. The Postal Service also explains that it offers several convenient options which can save customers a trip to the post office, including stamps by telephone or by mail if access to the internet is not available. *Id.*

Petitioners question the decision to close the Ashton post office because the Ashton post office works quite well with a non-career OIC. Mino Participant Statement at 4-5; Mino Reply Brief at 5; City of Ashton Petition at 2; City of Ashton Reply Brief at 3; Verdoorn Petition at 1. Petitioners suggest that rather than close the Ashton post office, the Postal Service could continue to operate it with the part-time OIC and a shared postmaster with another post office. Mino Participant Statement at 4-5; Mino Reply Brief at 5; City of Ashton Petition at 2; City of Ashton Reply Brief at 3; Verdoorn Petition

at 1. The Postal Service responds that there is no program in place to implement such a proposal on a permanent basis at this time.¹⁷ Postal Service Comments at 12.

Petitioner Mino alleges that the Postal Service repeatedly ignored pertinent information submitted during the discontinuance proceedings that identified a problem with the proposed rural carrier replacement service for business customers like the Ashton State Bank. Mino Petition at 2. Petitioner Mino repeatedly raised a concern on behalf of the Ashton State Bank (Bank) that the alternate service proposed by the Postal Service would not meet the requirements of time-sensitive business mail. See Mino Petition at 1-2; Mino Reply Brief at 3; see also City of Ashton Participant Statement at 2 (citing time-sensitive business mail needs).

The Postal Service's initial responses to Petitioner Mino's concerns failed to address the issue of time-sensitive business mail. See Administrative Record, Item No. 22 at .pdf pages 171-173. Its first attempt to respond to this issue is contained in a September 7, 2012 letter. *Id.* at .pdf page 494. In that letter, the Postal Service stated that the route for the rural carrier was being "adjusted to accommodate the latest possible time for picking up outgoing mail...[and that the Postal Service was]...studying the possibility of adjusting the route serving this area to provide a time of approximately 3 pm." *Id.* On its face, this statement might appear to evidence serious consideration of Petitioner Mino's concerns. However, the letter to which the Postal Service was responding clearly stated that the bank's time-sensitive mail "is not ready to go out until 4:00 to 4:30 in the afternoon...[for pick up]...at approximately 4:45 p.m. by your inter-office courier..."¹⁸ *Id.* at .pdf page 550. Thus, the 3:00 p.m. carrier pickup suggested in the Postal Service's September 7, 2011 letter and relied upon in the Postal Service's

¹⁷ The Final Determination states that the Postal Service is considering the possible restructuring of the management duties of postmasters, but that many post offices may nevertheless be discontinued because of the Postal Service's vision that its footprint be reduced. Final Determination at 5-6, Concern No. 21.

¹⁸ The dispatch of the bank's time-sensitive mail at that time had been possible because of the availability of a blue collection box outside the Ashton post office from which collections were made by the route driver that collects outgoing mail from other area post offices. Mino Reply Brief at 3.

comments fails to answer Petitioner Mino's concerns. See Postal Service Comments at 7-8. Nor does the Final Determination make any attempt to address Petitioner Mino's concerns. See Final Determination.

Currently, the Ashton State Bank receives service that permits dispatch of time-sensitive mail around 4:45 p.m. on weekdays.¹⁹ If the Ashton post office is discontinued that service schedule may no longer be available. Whether or not there is a solution is for the Postal Service to determine. On the Administrative Record, however, it has not adequately addressed the Bank's specific concerns of what alternate service will be provided.

In its comments, the Postal Service suggests that the longer window hours at the Sibley post office "will help alleviate any hardship incurred."²⁰ Postal Service Comments at 8. Aside from being tardy, coming for the first time after issuance of the Final Determination, this suggestion is unresponsive to Petitioner Mino's concerns. As he repeatedly emphasized in letters contained in the Administrative Record, resort to the Sibley post office as a supplement to rural carrier service could be obtained only at a cost that Petitioner estimates to be as much as \$4,000 per year. Administrative Record, Item No. 22 at .pdf pages 175-176, 492, 550. The suggestion that the Ashton Savings Bank use the Sibley post office to alleviate any hardship leaves the incremental cost of doing so unaddressed.²¹

¹⁹ The Ashton State Bank's annual postal expense is approximately \$7,000. It indicates it has a unique need for a late afternoon dispatch time. Administrative Record, Item No. 22 at .pdf pages 175-176.

²⁰ Window hours at the Sibley post office are from 8:30 a.m. to 4:30 p.m., Monday through Friday, and 8:30 a.m. to 9:30 a.m. on Saturday. Final Determination at 1. By contrast, the Ashton post office is not open beyond 12:00 p.m. *Id.*

²¹ The Postal Service seeks to dismiss consideration of this additional cost as beyond the scope of this proceeding because additional costs to customers are not properly considered under 39 U.S.C. § 404(d)(2)(A)(iv) which is limited to consideration of "economic savings to the Postal Service". Postal Service Comments at 14. While the Postal Service is correct that section 404(d)(2)(A)(iv) does not require consideration of such costs, they are properly considered by the Postal Service in reviewing whether the proposed replacement service is consistent with the "effective and regular" policy under 39 U.S.C. § 404(d)(2)(A)(iii). This is especially true, when, as here, the customer could be required on a daily basis to supplement the replacement service with the services of a private courier in the absence of later pickup times.

In sum, the Bank repeatedly raised an issue germane to the level of service to be provided in lieu of current service. While the Postal Service may not be able to satisfy that need going forward, it is obligated to address the issue adequately during the discontinuance process. Its efforts to do so fail to provide the requisite clarity. Accordingly, on this record, the Commission cannot conclude that the Postal Service has satisfied section 404(d)(2)(A)(iii).

Economic savings. The Postal Service estimates total annual savings of \$25,974. Final Determination at 9-10. It derives this figure by summing the following costs: postmaster salary and benefits (\$44,279) and annual lease costs (\$3,960), minus the cost of replacement service (\$22,265). *Id.*

Petitioners present several challenges to the Postal Service's estimate of economic savings. Petitioner Verdoorn questions whether the Postal Service will need to employ additional rural carriers to handle the anticipated volume to be delivered as well as carrier responsibilities for providing postal services. Verdoorn Petition at 1. The Postal Service responds by explaining that its estimate of the cost of rural carrier service is based upon an estimating methodology that considers the number of boxes to be served and the additional mileage added to a carrier's route. Postal Service Comments at 13. It states further that many routes can be added before a carrier's route becomes overburdened and that if all routes are filled auxiliary routes can be added and served by existing employees. *Id.*

Petitioner Mino notes that operation of the Ashton post office on a half-day basis with temporary staffing has already brought down operating costs. Mino Petition at 2; Mino Reply Brief at 2-3. The Postal Service responds by arguing that it has determined that advantages of completely discontinuing operations at the Ashton post office outweigh the disadvantages. Postal Service Comments at 13.

Petitioners Mino and the City of Ashton assert that savings would be realized by continuing operations at the Ashton post office and by the Ashton and Melvin post offices sharing a postmaster. Mino Participant Statement at 3-4; City of Ashton Reply Brief at 3. The Postal Service responds by stating that it does not have a program in

place to implement such a proposal. Postal Service Comments at 13. Petitioner Mino replies by conceding that there may be no program, but that failure to consider such an arrangement is short-sighted. Mino Reply Brief at 4.

Both Petitioners Mino and the City of Ashton argue that the Postal Service should have considered additional costs that consumers will incur if the Ashton post office is discontinued. Mino Reply Brief at 4; City of Ashton Reply Brief at 1. The Postal Service responds by arguing that it is not statutorily required to consider additional costs to customers in estimating savings to the Postal Service.²² Postal Service Comments at 14.

Petitioner Mino challenges the projected savings on the grounds that the Ashton post office has been staffed with a non-career OIC at a much lower cost since the beginning of the postmaster vacancy in 2006. Mino Reply Brief at 3, 5. The Postal Service defends its use of a career postmaster's salary by arguing that this career position would ultimately have to be filled if the Ashton post office were not discontinued. Postal Service Comments at 14.

The Commission has previously observed that the Postal Service should include in its estimate of savings only those costs likely to be eliminated by the closing. In this case, the Ashton post office postmaster was reassigned on August 9, 2006. Final Determination at 2. The post office has since been staffed by a non-career OIC who, upon discontinuance of the post office, may or may not be separated from the Postal Service. Based on a review of the Administrative Record, the Commission concludes that the Postal Service has reviewed the economic savings required by 39 U.S.C. § 404(d)(2)(A)(iv).

²² The additional costs to customers have been considered in the prior section of this Order discussing the impact of discontinuance on effective and regular postal service.

VI. CONCLUSION

As discussed above, the Postal Service has not adequately considered the requirements of 39 U.S.C. § 404(d)(2)(A)(iii). Accordingly, the Postal Service's determination to close the Ashton post office is remanded for further consideration.

It is ordered:

The Postal Service's determination to close the Ashton, Iowa post office is remanded.

By the Commission.

Shoshana M. Grove
Secretary